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ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. X No. 3
March 1985

Unemployment Rate

Seasonally Adjusted
January*

ARIZONA	5.4%
Maricopa Co.	4.2%
Pima Co.	5.2%
UNITED STATES	7.4%

Consumer Price Index

National-December
1967 - Base Year

Wage Earner/Clerical Worker -	312.2
% Chg. Yr. Ago	3.1
All Urban -	315.5
% Chg. Yr. Ago	3.4

Phoenix-4th Qtr.
1977 - Base Year

All Urban -	184.4
% Chg. Yr. Ago	5.9

Producer Price Index

National- December*
1967 - Base Year

All Commodities-	309.9
% Chg. Yr. Ago	1.2
Finished Goods -	292.5
% Chg. Yr. Ago	1.8

* Preliminary

ARIZONA OUTLOOK

Economic forecasts have become a backbone of the Research Administration's labor market information program. They are the basis for much that follows later in the year including occupational forecasts that help training program administrators set priorities. With so much riding on the outcome, accuracy is a goal about which the Research Administration's forecasters cannot be cavalier.

Thanks to George Orwell, we all looked forward to 1984 with some trepidation. In looking back upon it, 1984 was a pleasant surprise. In Arizona it was one of the strongest growth years ever experienced.

Looking to the years beyond 1984 is what this issue is all about. The year just past is reviewed to layout the economic scenario from which forecasts for the next three years must follow. An overview of the state is followed by detailed accounts for the Phoenix and Tucson MSAs and the total of the nonmetropolitan counties.

As with George Orwell, the judgments of the forecasters' success in achieving accuracy must await the passing of the forecasted year.

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Ron Simon, editor

ARIZONA IN 1984

Employment in Arizona expanded at an explosive pace in 1984, with record levels reached in many categories. With the notable exception of copper mining, most industries added jobs throughout the year. Total employment rose by over 100,000 statewide, with establishments in the Phoenix metropolitan area accounting for nearly 77,000 new jobs.

Construction surpassed the record employment level achieved during the summer of 1979 and by the end of the year provided over 100,000 jobs for Arizona residents. Homebuilding activity was especially strong in the metropolitan areas, fueled by rapid population growth and a decline in mortgage interest rates observed in the summer and autumn months. The surge in construction activity was not confined to Maricopa and Pima counties, however--the nonmetropolitan areas created over 2,300 new construction jobs during 1984, an increase of nearly 25 percent. In addition to high levels of single- and multi-family housing construction, commercial and industrial building also contributed to Arizona's construction boom.

The attraction that Arizona has for high tech manufacturing was evident throughout 1984. Despite reports from the industry of excessive semiconductor inventories in the second half of the year, most electronics manufacturers in the state avoided the massive layoffs experienced during the 1974-1975 slowdown. Producers of other durable goods, especially military and defense-related equipment, expanded staff requirements throughout 1984, reflecting the increases in defense spending reported at the national level. Producers of non-durable consumer goods such as food, apparel and publications also enjoyed a good year, responding to the general rise in demand for consumer goods generated by the continuing economic recovery.

The service-producing sectors of the state economy also enjoyed an outstanding year. Jobs in wholesale trade increased by over 12 percent in 1984; employment in retail trade and in finance, insurance and real estate rose by 9 percent during the year. These figures are not surprising when the rapid growth of population and consumer demand during the 1983-1984 expansion are taken into account. The proliferation of business and commercial activity in the state is reflected in the enormous growth of employment in business services. About 1,000 jobs per month were added last year in this category, which includes accounting firms, building security and maintenance firms, temporary help agencies and other enterprises that mainly serve the state's expanding business sector. While a growth rate even close to last year's 26 percent would be impossible to sustain for very long, the 1984 experience is an indication of the increasing importance that finance and commerce have in shaping the growth and direction of Arizona's economy.

Any review of the state's economic performance in 1984 runs the risk of reciting a litany of large numbers. This is not necessary, because these numbers do, to a large extent, speak for themselves. The following articles will provide an analysis of what the future will bring for Arizona in 1985 and beyond.

Brian Cary

EMPLOYMENT IN ARIZONA
(annual averages, in thousands)

	1983	1984	Percent Change
Total Wage and Salary Employment	1077.8	1180.8	9.6
Manufacturing	155.8	172.3	10.6
Mining	14.3	13.3	-7.0
Construction	78.6	96.2	22.4
T.C.P.U.	57.2	60.4	5.6
Trade	260.9	286.6	9.9
F.I.R.E.	65.7	71.7	9.1
Services	242.2	274.1	13.2
Government	203.1	206.1	1.5

NOTE: Annual averages may not add due to rounding.

EMPLOYMENT FORECASTS FOR 1985 - 1987

ARIZONA, 1985 - 1987

Arizona's economy has been one of the most dynamic in the country in the past two years. While employment in the state is not expected to grow at the record pace of 1984, the next three years should see an additional 130,000 people employed in Arizona. Much of this growth, about 40 percent, is expected to take place this year. While no recession is anticipated, 1986 should be considerably weaker with employment growing by only 2.6 percent. By 1987, most industries should start to see higher growth rates, with the exceptions of manufacturing, mining, construction and transportation, communications and public utilities (TCPU).

It is anticipated that the majority of new jobs in the next three years, around 75 percent, will be in Maricopa County with Pima County receiving 19 percent and the nonmetropolitan counties about 6 percent. The industries that are expected to grow the most, in terms of the number of jobs, are services (40600), trade (32200) and manufacturing (28600). The only major industry expected to lose employment in the next three years is mining. Finally, because our state's economy has been so strong, it has been attracting thousands of job seekers from other states. This, coupled with slower job growth, will result in higher unemployment rates for the state, peaking at 6.6 percent in 1987.

As mentioned above, service and trade will add the largest number of workers over the next three years. Virtually all of the components of those industries are expected to perform well, particularly in the urban counties. The largest gains should be in the business services sector (temporary help agencies, advertising firms, etc.), hotels, general merchandise stores and eating and drinking establishments.

Manufacturing is expected to add the third largest number of jobs by 1987. The vast majority of these new jobs will be in durable manufacturing, particularly those sectors considered "high-tech." Employment growth in manufacturing is expected to decelerate throughout the forecast period due to a weaker national economy, increased competition in computer-related products and employment losses in primary-metals manufacturing due to the weakness in copper prices.

Construction employment should increase by 7.3 percent in 1985, down from 1984's rate of 22.3 percent. Rising interest rates in late 1985 and early 1986 help push employment growth down to 3.6 percent in 1986 before flattening out in 1987. Also helping to hold down growth will be the completion of two power plants in the state. It should be noted, however, that these employment levels are very high and that there is going to be a lot of construction going on in the state, particularly in Maricopa County.

Government, TCPU and finance, insurance and real estate (FIRE) are all expected to have modest growth in the next three years. Government employment growth will be primarily in schools and state and local government. Growth in federal employment will be mostly related to the military. Overall, however, budget tightness will prevent large numbers of jobs from being created. TCPU will see growth mainly in the transportation sector, particularly in trucking companies and at Sky Harbor Airport. The finance and insurance sector will perform well because of population growth and the expansion of out-of-state financial institutions into the state. Real estate employment, on the other hand, is likely to be flat in 1985 and decline somewhat in 1986 and 1987. This weakness is typical following extremely strong years such as 1984.

The mining industry is expected to lose about 2,600 workers by 1987, mostly in copper mining. This is the result of the expectation that copper prices will continue to be low and that little if anything will be done to restrict imports. This loss of employment will put a great deal of upward pressure on unemployment rates in Pima County and in some nonmetropolitan counties.

Arizona's economic future, for the most part, continues to look good. Employment growth should be strong in 1985 before pausing for a slight rest in 1986 and then picking up again in 1987. Unemployment is expected to rise during the next three years; not because of massive layoffs but rather because job creation is not expected to keep pace with population growth.

David Sinclair

ARIZONA
(annual averages, in thousands)

	1984	1985	PERCENT CHANGE	1986	PERCENT CHANGE	1987	PERCENT CHANGE
LABOR FORCE	1432.0	1501.0	4.8	1550.2	3.2	1596.6	2.9
UNEMPLOYMENT	71.0	89.0	25.4	101.0	13.5	105.9	4.8
EMPLOYMENT	1361.0	1412.0	3.7	1449.2	2.6	1490.7	2.8
UNEMPLOYMENT RATE	5.0%	5.9%	17.9	6.5%	9.9	6.6%	1.8
WAGE AND SALARY EMPLOYMENT	1180.8	1237.1	4.8	1269.7	2.6	1306.1	2.8
MANUFACTURING	172.3	183.8	6.6	192.6	4.8	200.9	4.3
MINING	13.3	11.8	-11.3	11.0	-6.5	10.7	-2.8
CONSTRUCTION	96.2	103.2	7.3	106.0	2.6	106.0	0.0
TCPU	60.4	62.8	3.9	64.1	2.0	65.1	1.5
TRADE	286.7	301.4	5.1	308.6	2.3	318.9	3.3
FIRE	71.7	74.0	3.3	75.7	2.2	78.0	2.9
SERVICES	274.1	290.5	5.9	301.9	3.9	314.7	4.2
GOVERNMENT	206.1	209.5	1.6	209.7	0.1	211.9	1.0

NOTE: Annual averages may not add due to rounding. Percent changes are calculated using unrounded figures.

MARICOPA COUNTY, 1985 - 1987

The economic outlook for Maricopa County continues to be bright. Although growth will not be at the breakneck pace of 1984, there will be nearly 100,000 additional jobs in the the county by 1987. The employment growth will take place primarily in services, trade, durable manufacturing and construction. Approximately 40 percent of the total job growth should take place in 1985, due primarily to the prospects for lower interest rates and a generally strong national economy. Employment growth should slow considerably in 1986 as a result of an aging business cycle and the likelihood for higher interest rates. The economy's health in 1987 is rather mixed. Growth in manufacturing and construction are likely to slow further while the service and trade industries remain fairly strong, although weaker than in 1985. Ironically, all of this good news will be partially responsible for some bad news, namely slightly higher unemployment. The strong growth experienced in 1984 has attracted thousands of out-of-state job seekers to the county and the prospects for continued growth will attract thousands more. While the local economy was able to absorb most of these people last year, that will probably not be the case in the near future. Therefore, slower job growth and a combined high rate of immigration will cause the county's unemployment rate to rise to 4.3 percent in 1985, 4.9 percent in 1986 and 5.2 percent in 1987.

The largest source of new jobs in the next three years will be the service industry. Approximately 28,000 more people will be working in services by 1987. In terms of the number of jobs, the business services sector will see the most growth. This category encompasses a wide range of businesses including temporary help agencies, advertising companies, consultants and pest control firms. Business services should have a very good 1985 with some weakening in 1986 due primarily to a slower economy resulting in the need for fewer temporary workers. By 1987, however, the growth rate will increase as overall economic activity picks up.

In 1985, the hotel and lodging sector will see a continuation of the growth that began in late 1983. However, 1986 could prove to be a very weak year in terms of new employment in this sector. This will be primarily due to the large number of rooms built in the Valley over the past three years. Also, the prospects of a slower national economy will result in fewer dollars available for vacations. Finally, the health service industry should see growth of about two percent in 1985 and 1986. The possibility of increased regulation or competition or both will result in 1987 being a relatively flat year in terms of employment growth.

The trade industry will be the second largest source of new jobs. This industry will add approximately 10,600, 5,500 and 8,000 jobs in 1985, 1986 and 1987, respectively. The growth will come primarily in department stores, food stores and eating and drinking establishments, however, only the last sector will be strong throughout the period. Because of a generally weaker economy expected in 1986, employment growth will be lower next year before recovering in 1987. The slowest trade sector in the next three years will probably be the automotive-related business, particularly car dealers. This is due to higher interest rates and the possibility of increased competition due to the relaxation of import quotas.

Manufacturing is expected to have a good year this year but weakening in both 1986 and 1987. Durable manufacturing will be the source for over 90 percent of new manufacturing jobs. As might be expected, "high-tech" related firms are expected to perform well. Nearly half of the 8,000 new jobs in durable manufacturing in 1985 will be in the electrical machinery sector. Also expected to add more employees is the aircraft and ordnance sector. Finally, the only non-durable manufacturing sector expected to create a large number of new jobs is printing and publishing.

Construction is expected to have a good year in 1985, adding another 5,000 workers.

However, this is less than half of the number of jobs created in 1984. The growth in 1985 will be spurred by the prospects for lower interest rates, strong population growth, office and commercial construction and transportation projects. In 1986, the growth will again be cut in half because of the likelihood of rising interest rates and the continued reduction of workers at the Palo Verde nuclear plant. Finally, 1987 will probably be similar to 1986, only slightly weaker.

The finance, ihsurance and real estate industry should average between 2.7 percent and 3.5 percent growth over the next three years with most of the growth in the finance and insurance sectors. These two sectors will be strong because of population growth, office and commercial construction and the growth of interstate banks. Real estate employment growth, on the other hand, will be very weak. This is primarily due to the trememdous growth experienced in 1983 and 1984. Employment typically levels off in this sector immediately following extremely good years. Also, rising interest rates in 1986 and 1987 will dampen employment growth.

Transportation, communications and public utilities is another group that will experience modest growth in the future. Employment opportunities will mainly be in the transportation sector. Sky Harbor Airport is expected to continue to expand operations, as are trucking companies. Public utilities are likely to experience little change in employment levels because of the regulatory climate in Arizona.

Government employment will continue to increase slightly in the coming years. All sectors of government, federal, schools and state and local, should experience slight growth in 1985 to support the rapid population growth. However, 1986 will probably see a slight decline in school employment which is typical following years of good growth. Also, budget cuts could see the reduction of some services offered by local governments, resulting in lower employment.

MARICOPA COUNTY
(annual averages, in thousands)

	1984	1985	PERCENT CHANGE	1986	PERCENT CHANGE	1987	PERCENT CHANGE
LABOR FORCE	905.1	951.6	5.1	985.7	3.5	1022.2	3.7
UNEMPLOYMENT	34.2	41.2	20.5	47.8	16.0	53.4	11.5
EMPLOYMENT	870.9	910.4	4.5	937.8	3.0	968.8	3.3
UNEMPLOYMENT RATE	3.8%	4.3%	13.2	4.9%	12.0	5.2%	7.6
WAGE AND SALARY EMPLOYMENT	769.7	811.3	5.4	836.3	3.0	864.4	3.3
MANUFACTURING	125.1	133.9	7.0	141.2	5.5	147.9	4.7
MINING	0.6	0.6	0.0	0.6	0.0	0.6	0.0
CONSTRUCTION	66.2	71.2	7.5	73.4	3.1	73.8	0.5
TCPU	39.2	40.9	4.3	41.7	1.9	42.2	1.1
TRADE	194.9	205.5	5.4	211.0	2.6	219.0	3.8
FIRE	56.0	57.9	3.4	59.5	2.7	61.6	3.5
SERVICES	185.6	197.4	6.3	205.0	3.8	214.0	4.4
GOVERNMENT	102.1	104.0	1.8	103.8	-0.1	105.3	1.3

NOTE: Annual averages may not add due to rounding. Percent changes are calculated using unrounded figures.

Growth in federal government employment will probably be related to military spending in the state.

Overall, employment opportunities will remain good in Maricopa County. The industries that will provide the bulk of the employment growth will be services, trade, durable manufacturing and construction. It is expected that 1985 will be a good year although unemployment will rise slightly because of strong population growth and slower employment growth. In 1986, growth will slow further resulting in a somewhat higher unemployment until finally, in 1987, employment growth picks up, but not enough to reduce the county's unemployment rate.

David Sinclair

PIMA COUNTY, 1985 - 1987

The pattern of rapid economic expansion seen in the Phoenix metropolitan area in 1984 was also observed in Pima County. As the year concluded, however, the evidence indicated that the rate of growth in the Tucson area, while very strong, was not quite as fast as that in Maricopa County. A similar pattern is expected to continue through 1985 and the next few years; the 1984 boom should wind down this year and a period of moderate employment growth should persist into 1987.

The hiring activity of the county's major durable goods manufacturers was mixed last year. Overall, employment grew by nearly 10 percent, with many of the new jobs concentrated among a relatively small number of employers. Some firms that were expected to add large numbers of workers experienced unexpected difficulties which curtailed the growth of their payrolls. Nevertheless, underlying conditions generally favor continued expansion in this sector for several reasons. A strong commitment to increased defense spending at the federal level should ensure additional growth among Pima County's major military contractors. This, combined with an outlook of cautious optimism for producers of electronic equipment, should result in an increase in employment of 6 to 7 percent in this sector in 1985, slowing to less than 3 percent growth in 1986. Employment also will rise in non-durable manufacturing, but at a slower rate.

The boom-like conditions observed in Pima County's construction industry during 1983 continued unabated into 1984, with over 3,000 more jobs added last year. Building activity was very strong across all construction sectors--residential, industrial and commercial construction all made significant contributions. The forecast for interest rates on mortgages and long term bonds indicates the near future will be a period of relative stability. This would result in sustained demand for housing, especially single-family structures. Despite uncertainty surrounding the prospect of new federal tax laws, there is enough commercial construction under way or scheduled to begin in 1985 that jobs in construction should remain plentiful through the year; by 1986, however, new construction jobs may be in short supply.

After the sluggish years of 1982 and 1983, 1984 brought renewed employment growth in the Tucson area retail trade sector. Population increases in the northwestern section of the metropolitan area have helped to relieve a somewhat overbuilt retail trade market there, and a generally healthy economy throughout the county created retail jobs at a strong pace last year. Two persistent economic problems in southern Arizona--a weak market for copper and a generally weak Mexican economy--have inhibited growth to some degree, but the effects of these factors are being partially offset by continued strength in other sectors. While retail trade expansion will continue, wholesale trade is expected to create nearly 1,000 jobs in 1985 and 1986. The rising volume of Mexican fruit and vegetables entering the United States along the Arizona border has resulted in more jobs in trucking, warehousing and distribution. With a rapidly growing population to serve, wholesale and retail trade promise to create jobs at a good clip for the next few years.

Just as it has in Maricopa County, the service sector experienced explosive growth in the Tucson area. Two industries in particular -- hotels and lodging and business services -- led the way. New hotel development is proceeding unabated, with resorts as well as commercial lodging facilities expected to add over 700 workers to area payrolls during the next two years. Business services, including activities such as building maintenance and security, temporary help agencies and accounting and advertising firms, grew by a whopping 21 percent in 1984. With 1,200 new jobs this year and 750 more in 1986, business services will be an important source of employment growth. The rising level of commerce in Pima County will require an increasingly diverse array of business services; the rate of growth will be moderate relative to 1984, since the use of temporary help by area manufacturers is expected to level off and perhaps decline in 1985.

Overall, the prospects for strong employment growth in Pima County remain very good for the next two years. The local economy has adjusted to the smaller role that copper production and Mexican trade now have in the area labor market. While job opportunities will be available in a wide range of industries and occupations, the county labor force will continue to expand rapidly, making a rise in unemployment likely through 1985 before leveling off in the 6 to 7 percent range in 1986.

Brian Cary

PIMA COUNTY
(annual averages, in thousands)

	1984	1985	PERCENT CHANGE	1986	PERCENT CHANGE	1987	PERCENT CHANGE
LABOR FORCE	260.7	275.7	5.8	285.2	3.4	292.0	2.3
UNEMPLOYMENT	11.7	15.5	32.5	18.2	17.4	18.4	1.0
EMPLOYMENT	249.1	260.3	4.5	267.0	2.5	273.5	2.4
UNEMPLOYMENT RATE	4.5%	5.6%	24.4	6.4%	14.3	6.3%	-1.6
WAGE AND SALARY EMPLOYMENT	214.0	223.5	4.4	228.6	2.2	233.4	2.1
MANUFACTURING	29.0	30.8	6.2	31.7	2.8	32.7	3.2
MINING	3.4	2.6	-23.5	2.5	-4.0	2.4	-4.1
CONSTRUCTION	18.2	19.4	6.6	19.6	1.0	19.5	-0.5
TCPU	8.9	9.0	1.1	9.2	2.2	9.5	3.3
TRADE	47.3	50.1	5.9	51.3	2.3	52.6	2.5
FIRE	10.0	10.5	5.0	10.6	1.0	10.6	0.0
SERVICES	50.4	53.5	6.2	55.9	4.4	58.0	3.7
GOVERNMENT	46.9	47.7	1.7	47.9	0.4	48.1	0.4

NOTE: Annual averages may not add due to rounding. Percent changes are calculated using unrounded figures.

THE ARIZONA LABOR FORCE IN JANUARY 1985

Unemployment jumped suddenly in January. The combination of seasonal job losses, job seekers entering the labor force and permanent layoffs caused the Arizona unemployment rate to take its largest one-month jump since February 1975. In eight of the last 12 months, the unemployment rate has been at or below 5.0 percent. But as had been expected, unemployment has reached its low point and apparently is headed upward. Although the magnitude of the increase was much larger than expected, we still expect that unemployment this year will average 5.5-6.0 percent.

Over the month, out of 41 industries for which employment is estimated, 25 recorded a decline. The greatest job losses occurred in government and retail trade where school closings at the end of the fall term and the end of Christmas buying caused employment to decline rapidly. Although most of the school-related employment will recover in February, the retail trade losses were significant in their magnitude.

Particularly noteworthy in January's statistics were the job losses of 200 and 600 respectively in manufacturing and mining. After a slight and shortlived recovery, employment in copper mining continued its decline. The industry's economic situation is basically unchanged from what it was many months ago. Low prices, foreign competition and new technology are all working against any recovery. Copper mining employment has again fallen to its lowest recorded level and the prognosis remains bleak.

In manufacturing, although some jobs are being lost, major attention is being directed at the reduced rate of hiring among the state's high-technology employers. Market forces continue to place pressure on electronics and aerospace firms alike, and that situation will likely continue until spring or early summer before some resolution occurs. A combination of reduced workweek and temporary furloughs will hopefully solve any overproduction problems.

Poor weather and rising vacancy rates have contributed to some slight weakness in construction, but employment is only 600 below its record high level of November 1984. Construction gains were strong in Maricopa County, but losses in Pima County and the balance of the state partially offset statewide improvement. How much longer this level can be sustained is a matter of conjecture. As our forecasts for 1985 indicate, the spectacular growth of 1984 will not likely be repeated.

The rapid increase in the unemployment rate recorded in January must be put in perspective. January is typically a month of substantial seasonal employment losses and, that, combined with our rapid rate of growth, will cause the unemployment rate to increase. Nationally, slower growth will impact on Arizona in terms of fewer jobs throughout the state's economy and a longer period of job search for job seekers. Arizona's substantially lower level of unemployment is passing as we enter a weaker phase of economic growth. However, job layoffs, although they may become more dominant in the news, are still a limited part of the state's economy.

Dan Anderson

ARIZONA UNEMPLOYMENT INSURANCE ACTIVITIES - DECEMBER 1984

	December 1984	November 1984	December 1983	From One Year Ago
Arizona Claimants Served*	23,103	22,155	36,714	-37.1%
Arizona Average Weeks Unemployed**	9.0	8.7	9.8	- 8.2%
Arizona Benefits Paid*	$ 6,965,460	$ 7,274,043	$ 12,165,136	-42.7%
Arizona Trust Fund Balance	$238,513,500	$242,875,074	$165,815,096	+43.8%

*All Programs **UI Only

Arizona Labor Force and Employment

January 1985 (in thousands)

	ARIZONA				
	Jan.* 1985	Dec. 1984	Jan. 1984	-- Amt Change -- Dec. to Jan.	1984 to 1985
TOTAL CIVILIAN LABOR FORCE	1474.8	1490.5	1395.3	-15.7	+79.5
Total Unemployment	82.2	64.1	88.4	+18.1	-6.2
Rate	5.6	4.3	6.3	---	---
Rate (Sea. Adj.)**	5.4	4.4	6.2	---	---
Total Employment	1392.6	1426.4	1306.9	-33.8	+85.7

THE ABOVE LABOR FORCE STATISTICS SHOULD N

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1228.4	1243.4	1126.9	-15.0	+101.5
Manufacturing	178.7	178.8	163.4	-0.1	+15.3
Durable Goods	141.6	141.2	128.2	+0.4	+13.4
Stone, Clay and Glass	7.8	7.6	7.0	+0.2	+0.8
Primary and Fabricated Metals	16.9	17.1	15.1	-0.2	+1.8
Primary Metals	7.4	7.4	6.6	+0.0	+0.8
Fabricated Metals	9.5	9.7	8.5	-0.2	+1.0
Machinery	71.5	71.0	64.5	+0.5	+7.0
Other Durable Goods	45.4	45.5	41.6	-0.1	+3.8
Aircraft and Missiles	20.5	20.4	18.7	+0.1	+1.8
Lumber and Wood Products (Except Furniture)	7.1	7.3	6.9	-0.2	+0.2
All Other Durable Goods	17.8	17.8	16.0	+0.0	+1.8
Nondurable Goods	37.1	37.6	35.2	-0.5	+1.9
Food and Kindred Products	8.0	8.1	7.8	-0.1	+0.2
Apparel	4.9	5.1	4.9	-0.2	+0.0
Printing and Publishing	14.1	14.0	12.8	+0.1	+1.3
All Other Nondurable Goods	10.1	10.4	9.7	-0.3	+0.4
Mining and Quarrying	12.3	12.9	14.2	-0.6	-1.9
Copper Mining	9.5	10.1	11.3	-0.6	-1.8
Other Mining and Quarrying	2.8	2.8	2.9	+0.0	-0.1
Construction	103.0	102.8	86.2	+0.2	+16.8
Trans., Communications, and Public Utilities	62.0	62.9	58.8	-0.9	+3.2
Transportation	28.8	29.7	26.8	-0.9	+2.0
Communications and Public Utilities	33.2	33.2	32.0	+0.0	+1.2
Trade	303.5	307.8	275.9	-4.3	+27.6
Wholesale Trade	62.6	61.8	56.3	+0.8	+6.3
Retail Trade	240.9	246.0	219.6	-5.1	+21.3
General Merchandise and Apparel	41.6	44.3	38.9	-2.7	+2.7
Food Stores	35.7	37.4	34.1	-0.7	+2.6
Automotive and Service Stations	28.0	28.1	25.6	-0.1	+2.4
Eating and Drinking Places	82.5	82.8	75.2	-0.3	+7.3
Other Retail Trade	52.1	53.4	45.8	-1.3	+6.3
Finance, Insurance, and Real Estate	73.7	73.6	68.6	+0.1	+5.1
Services and Miscellaneous	286.1	285.1	257.9	+1.0	+28.2
Hotels and Other Lodging Places	30.0	29.6	26.0	+0.4	+4.0
Business Services	65.5	64.8	54.2	+0.7	+11.3
Health Services	69.8	70.2	67.5	-0.4	+2.3
Other Services	120.8	120.5	110.2	+0.3	+10.6
Government	209.1	219.5	201.9	-10.4	+7.2
Federal	39.5	39.8	38.2	-0.3	+1.3
State and Local	169.6	179.7	163.7	-10.1	+5.9
School	100.3	110.4	97.3	-10.1	+2.9

* Preliminary
** Normal seasonal variations have been eliminated to reflect underlying economic trends.
NOTE--Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

January 1985 (in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			-- Amt Change --					-- Amt Change --	
Jan.* 1985	Dec. 1984	Jan. 1984	Dec. to Jan.	1984 to 1985	Jan.* 1985	Dec. 1984	Jan. 1984	Dec. to Jan.	1984 to 1985
938.7	948.0	878.0	-9.3	+60.7	269.5	272.0	256.1	-2.5	+13.4
40.3	31.3	43.5	+9.0	-3.2	14.0	10.8	15.3	+3.2	-1.3
4.3	3.3	5.0	---	---	5.2	4.0	6.0	---	---
4.2	3.4	4.8	---	---	5.2	4.1	5.9	---	---
898.4	916.7	834.5	-18.3	+63.9	255.5	261.2	240.8	-5.7	+14.7

T BE USED FOR ECONOMIC ASSISTANCE PROGRAMS.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

806.6	813.7	733.6	-7.1	+73.0	223.5	225.7	205.9	-2.2	+17.6
130.4	130.2	118.5	+0.2	+11.9	30.0	30.0	27.5	+0.0	+2.5
104.8	104.3	93.8	+0.5	+11.0	25.0	24.9	22.8	+0.1	+2.2
4.7	4.7	4.0	+0.0	+0.7					
11.0	11.0	9.6	+0.0	+1.4					
57.6	57.1	51.8	+0.5	+5.8					
31.5	31.5	28.4	+0.0	+3.1					
25.6	25.9	24.7	-0.3	+0.9	5.0	5.1	4.7	-0.1	+0.3
5.3	5.3	5.4	+0.0	-0.1					
2.8	2.9	3.0	-0.1	-0.2					
10.4	10.3	9.4	+0.1	+1.0					
7.1	7.4	6.9	-0.3	+0.2					
0.6	0.6	0.6	+0.0	+0.0	2.8	2.9	3.6	-0.1	-0.8
71.7	71.0	59.5	+0.7	+12.2	19.1	19.3	16.8	-0.2	+2.3
40.6	41.2	38.7	-0.6	+1.9	8.7	8.9	8.5	-0.2	+0.2
19.5	20.1	18.3	-0.6	+1.2	3.9	4.1	3.8	-0.2	+0.1
21.1	21.1	20.4	+0.0	+0.7	4.8	4.8	4.7	+0.0	+0.1
207.2	210.2	187.9	-3.0	+19.3	49.9	50.5	45.5	-0.6	+4.4
49.1	48.8	44.1	+0.3	+5.0	7.1	6.9	6.4	+0.2	+0.7
158.1	161.4	143.8	-3.3	+14.3	42.8	43.6	39.1	-0.8	+3.7
26.3	28.3	25.0	-2.0	+1.3	8.2	8.6	7.3	-0.4	+0.9
23.6	24.1	22.0	-0.5	+1.6	5.7	5.9	5.4	-0.2	+0.3
17.8	17.9	16.2	-0.1	+1.6	4.5	4.5	4.2	+0.0	+0.3
53.9	53.5	48.9	+0.4	+5.0	15.5	15.6	14.2	-0.1	+1.3
36.5	37.6	31.7	-1.1	+4.8	8.9	9.0	8.0	-0.1	+0.9
57.4	57.3	53.7	+0.1	+3.7	10.4	10.4	9.5	+0.0	+0.9
195.9	194.6	175.4	+1.3	+20.5	53.0	52.6	47.9	+0.4	+5.1
18.8	18.4	15.9	+0.4	+2.9	4.9	4.8	4.2	+0.1	+0.7
53.7	53.2	45.3	+0.5	+8.4	9.1	9.0	7.1	+0.1	+2.0
47.6	48.0	45.6	-0.4	+2.0	14.0	14.0	13.8	+0.0	+0.2
75.8	75.0	68.6	+0.8	+7.2	25.0	24.8	22.8	+0.2	+2.2
102.8	108.6	99.3	-5.8	+3.5	49.6	51.1	46.6	-1.5	+3.0

-- Prepared by Labor Market Information, Research and Analysis (CPS, 1/85)

NONMETROPOLITAN COUNTIES LABOR FORCE AND EMPLOYMENT

JANUARY 1984

	Apache	Cochise	Coconino	Gila	Graham	Green-lee	La Paz
TOTAL CIVILIAN LABOR FORCE*.	16,100	29,200	35,075	12,950	7,900	3,275	4,725
Total Unemployment	2,300	2,425	3,350	1,800	975	475	625
Rate	14.3%	8.3%	9.6%	13.9%	12.3%	14.5%	13.2%
Rate (Seas. Adj.)**. . . .	13.9%	8.0%	8.6%	13.0%	12.2%	13.7%	-INA-
Total Employment	13,800	26,775	31,725	11,150	6,925	2,800	4,100
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS							
TOTAL WAGE AND SALARY. . . .	14,925	22,500	30,950	9,650	4,525	2,775	2,475
Manufacturing.	700	1,775	2,375	1,225	150	375	75
Mining and Quarrying	25	225	50	1,600	50	1,300	0
Construction	1,475	1,275	1,675	425	125	100	75
Trans., Comm., & Pub. Util..	2,000	1,400	2,400	300	150	50	50
Trade.	1,250	4,850	7,350	1,875	1,275	300	775
Fin., Insur., & Real Estate.	275	650	700	225	125	25	125
Services and Miscellaneous .	3,725	2,975	7,175	1,775	750	100	675
Government	5,475	9,350	9,225	2,225	1,900	525	700

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL CIVILIAN LABOR FORCE*.	23,425	25,075	32,075	8,825	33,400	34,500
Total Unemployment	2,350	3,175	3,525	1,000	2,475	3,400
Rate	10.0%	12.7%	11.0%	11.3%	7.4%	9.9%
Rate (Seas. Adj.)**. . . .	9.5%	11.6%	10.9%	12.7%	6.6%	-INA-
Total Employment	21,075	21,900	28,550	7,825	30,925	31,100
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS						
TOTAL WAGE AND SALARY. . . .	16,725	17,700	25,250	8,100	19,200	23,550
Manufacturing.	2,175	1,625	3,450	750	2,150	1,525
Mining and Quarrying	175	1,100	3,725	0	525	50
Construction	1,375	800	850	225	1,825	2,000
Trans., Comm., & Pub. Util..	1,125	1,700	1,225	575	900	900
Trade.	4,800	3,150	4,625	3,650	4,950	7,575
Fin., Insur., & Real Estate.	900	325	650	225	800	825
Services and Miscellaneous .	3,175	4,550	2,725	1,175	3,700	4,700
Government	3,000	4,450	8,000	1,500	4,350	5,975

*Adjusted to the Current Population Survey (CPS) to reflect place of residence.
**Seasonal adjustment not applicable for economic assistance programs.

NOTE--Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

ARIZONA LABOR FORCE AND EMPLOYMENT FOR
ECONOMIC ASSISTANCE PROGRAMS
DECEMBER 1984 (Firal, Benchmarked 1/85)

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,554,592	1,490,538	64,054	4.5%
Apache	16,213	14,535	1,678	10.3
Cochise	24,303	27,428	1,875	6.4
Coconino	37,048	34,321	2,727	7.4
Gila	13,112	11,651	1,461	11.1
Graham	7,703	7,120	583	7.6
Greenlee	3,823	3,568	255	6.7
La Paz	4,831	4,284	547	11.3
Maricopa	947,970	916,677	31,293	3.3
Mohave	29,299	21,499	1,800	7.7
Navajo	25,380	22,908	2,472	9.7
Pima	271,900	261,138	10,762	4.0
Pinal	32,406	29,656	2,750	8.5
Santa Cruz	8,819	7,847	972	11.0
Yavapai	33,663	31,648	2,018	6.0
Yuma	35,068	32,207	4,861	8.2

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators. Note: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series. Data for 1984 were benchmarked in January 1985. Please contact the Research Administration if you need an updated series for 1984.

---------- ESTIMATED HOURS AND EARNINGS OF PRODUCTION WORKERS IN SELECTED INDUSTRIES IN ARIZONA ----------
JANUARY 1985

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVG. HOURLY EARNINGS		
	JAN.* 1985	DEC. 1984	JAN. 1984	JAN.* 1985	DEC. 1984	JAN. 1984	JAN.* 1985	DEC. 1984	JAN. 1984
FOR THE STATE OF ARIZONA*									
Manufacturing	383.40	377.81	373.01	40.4	40.8	40.9	9.49	9.26	9.12
Aircraft & Missiles	INA	INA	INA	INA	INA	INA	INA	INA	INA
Food & Kindred Products	298.05	294.84	320.26	39.9	40.5	37.9	7.47	7.28	8.45
Primary Metals	537.72	528.35	482.26	40.4	41.8	39.4	13.31	12.64	12.24
Machinery	346.46	333.66	342.33	40.1	40.2	40.9	8.64	8.30	8.37
Copper Mining	579.36	564.56	555.36	42.6	42.1	41.6	13.60	13.41	13.35
Construction	449.55	405.68	417.09	37.4	33.5	36.3	12.02	12.11	11.49
Utilities	598.98	598.98	554.18	44.8	44.8	44.8	13.37	13.37	12.37
Retail Trade**	236.14	228.74	213.14	33.4	34.5	33.2	7.07	6.63	6.42
Wholesale Trade	342.25	359.29	344.25	37.0	38.8	40.5	9.25	9.26	8.50

* Preliminary
** Excludes eating and drinking places.
NOTE--These estimates are based on a sample of full and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

--Prepared by Labor Market Information, Research and Analysis (1972 SIC, 1/84)

NONMETROPOLITAN COUNTIES, 1985 - 1987

In general, employment in the nonmetropolitan counties will grow at a slower rate than in the urban counties. However, there are some cities in the rural parts of the state that should enjoy very strong economic growth. These cities are characterized by strong service and trade sectors, especially those related to tourism, some new manufacturing facilities and new construction projects. Overall, wage and salary employment growth in the nonmetropolitan counties is expected to be modest in 1985, about 2.6 percent, before declining in 1986 to around 1.3 percent. The following year, 1987, should be rather mixed with some industries recovering and others slipping slightly further but with total employment rising. Unemployment will continue to be a problem in the near future for the nonmetropolitan counties. In 1983 and 1984, unemployment rates in most of the rural counties declined, generally not because of strong employment growth but rather from labor force shrinkage. That meant that thousands of people were either moving to the urban areas to look for work or were dropping out of the labor force. With employment growth slowing in Maricopa and Pima counties, this labor force shrinkage is expected to reverse itself and result in higher unemployment. For the years 1985 to 1987, the area's unemployment rate should average 11.8 percent, 12.5 percent and 12.1 percent, respectively, up from 9.4 percent in 1984.

The trade and service industries will account for over half of all new jobs in the nonmetropolitan counties during the next three years with services adding 4,500 people and trade providing an additional 2,800 jobs. As mentioned above, many of these jobs will be related to tourism, namely in the hotel and lodging sector, general merchandise stores and in eating and drinking establishments. The counties expected to benefit the most from this growth are Mohave, Coconino, Cochise and Yavapai. If the Mexican peso vis-a-vis the U.S. dollar ever strengthens, then Santa Cruz County could see more growth in these industries than currently anticipated. Other sectors expected to show good growth include business services, health services, wholesale trade and food stores. The one sector expected to show some employment losses in 1986 and 1987 is automotive trade. This is due primarily to rising interest rates, a slowing national economy and increased competition.

Manufacturing and construction are expected to perform well in 1985 before slowing in 1986 and 1987. The strongest sectors in nondurable manufacturing include apparel, printing and publishing, and textiles, paper, plastics and leather. Food processing is expected to resume the modest declines experienced in the early 1960s. In durable manufacturing, lumber and wood products, stone, clay and glass, and, both electrical and nonelectrical machinery should experience modest employment growth in the next three years. The strength of the lumber and wood and stone, clay and glass sectors will be closely tied to the strength of the construction industry. This year is expected to be a good one for the construction industry, not only in the nonmetropolitan counties but in Maricopa and Pima counties as well. Approximately 900 new construction jobs will be created in rural Arizona in 1985, but only 300 in 1986. This slowdown is the result of higher interest rates and the completion of work on a power plant in Apache County. Finally, 1987 is expected to continue to be sluggish, resulting in the loss of 300 jobs. Again, not all counties will benefit equally from the growth in manufacturing and construction. It is expected that Navajo, Coconino and Apache counties will benefit from the growth in lumber and wood products, and Mohave, Yuma, Pinal, Yavapai and Cochise from construction and some manufacturing. Greenlee, Graham and Gila will be hurt somewhat by employment losses in primary metal manufacturing, mainly due to problems in the copper industry.

The mining industry is the only major category expected to have employment losses in each of the next three years. This is due

to the expectation that copper prices will continue to be below levels needed to cover the cost of production and that no protection from foreign competition will be provided. This results in a loss of 1700 jobs over the next three years.

Two industries that are expected to have modest growth in the near future are transportation, communications and public utilities (TCPU) and finance, insurance and real estate (FIRE). TCPU should experience the most growth, primarily in 1985 in Apache County because of the new power plant there. Also, trucking firms in the southern part of the state should see some modest growth. FIRE is relatively flat overall, but its components are not. The finance and insurance sector should grow around 1 percent in 1985 and 1986 and by 2 percent in 1987. This will be caused mainly by population growth. However, the real estate sector is expected to lose some employment in 1985 and 1986 before recovering in 1987. This employment loss is typical after a year of strong employment growth. In 1984, real estate employment expanded by nearly 11 percent, thus probably overexpanding.

Finally, government, the largest employer in the nonmetropolitan counties, should add approximately 1,500 new jobs by 1987. The growth might be lower except that budget cuts at the federal level will probably result in the loss of some federal employment. State and local government employment should increase by 1 to 2 percent for the period while school employment should increase in 1985 and 1987 and decline slightly in 1986, again because of budget cuts.

The economic future of the nonmetropolitan counties is indeed mixed. The counties that are able to diversify their economies will be far better off. However, in the short run, those that are oriented toward tourism and light manufacturing will fare the best, while those dependent upon copper will continue to struggle.

David Sinclair

NONMETROPOLITAN COUNTIES
(annual averages, in thousands)

	1984	1985	PERCENT CHANGE	1986	PERCENT CHANGE	1987	PERCENT CHANGE
LABOR FORCE	266.2	273.6	2.8	279.4	2.1	282.5	1.1
UNEMPLOYMENT	25.1	32.2	28.3	35.0	8.4	34.1	-2.4
EMPLOYMENT	241.0	241.3	0.1	244.4	1.2	248.4	1.6
UNEMPLOYMENT RATE	9.4%	11.8%	25.5	12.5%	6.1	12.1%	-3.4
WAGE AND SALARY EMPLOYMENT	197.1	202.2	2.6	204.8	1.3	208.2	1.6
MANUFACTURING	18.2	19.2	5.5	19.8	3.0	20.3	2.8
MINING	9.3	8.5	-4.4	7.8	-7.9	7.6	-2.7
CONSTRUCTION	11.8	12.7	7.3	13.0	2.5	12.7	-2.6
TCPU	12.3	12.9	4.2	13.2	2.5	13.4	1.2
TRADE	44.5	45.8	2.9	46.3	1.1	47.3	2.1
FIRE	5.7	5.7	0.0	5.6	-0.8	5.7	1.7
SERVICES	38.1	39.6	4.0	41.0	3.5	42.6	3.9
GOVERNMENT	57.1	57.9	1.3	58.1	0.2	58.6	0.9

NOTE: Annual averages may not add due to rounding. Percent changes are calculated using unrounded figures.

PROJECT BEGUN TO IDENTIFY PERMANENT MASS LAYOFFS AND PLANT CLOSINGS

Congress has recently appropriated funds for the Bureau of Labor Statistics (BLS) to develop an ongoing reporting system which monitors the labor force status of workers displaced as a result of permanent mass layoffs and plant closings (PMLPC). Arizona is one of several pilot states which have been authorized by the BLS to develop such a system.

The PMLPC project is a standardized automated approach to identifying and describing the impact of major permanent job cutbacks using unemployment insurance claims data supplemented by data obtained from interviews with the affected establishments regarding the nature and causes of the layoffs.

The major features of the project include:

1. the identification of major layoffs and closings through initial UI claims data, with a major permanent layoff defined as one caused by economic reasons in which at least 25 initial claims have been filed in a three-week period, with the separations expected to last more than 30 days;

2. the use of automated data files to obtain the basic demographic characteristics of the individuals involved in the layoffs;

3. direct employer contact to obtain specific information regarding the nature and causes of the layoffs;

4. the identification of the continuing impact of the permanent layoff or plant closing on Arizona's labor force by tracking the original initial claimants through the unemployment insurance system.

The new information is expected to enhance the ability of Labor Market analysts in monitoring both National and local areas long- and short-run trends in employment patterns. In addition, valuable information will be obtained which will aid those involved in formulating localized vocational training program strategies.

Results of Arizona's pilot study will be integrated by BLS with those of other participating states in order to determine national, regional and local area patterns and impacts of these mass layoffs and plant closings. Any questions or comments regarding this project may be addressed to DES, Research Administration - 733A, P.O. Box 6123, Phoenix, Arizona 85005.

NEW DEVELOPMENTS

"New Developments" is featured each month as a service to employers and job seekers. It is a compilation of public announcements of the more significant new construction, grand openings, major hirings and layoffs and other employer events that have special significance for Arizona labor markets. The announcements are paraphrased and otherwise edited from articles published in newspapers and other priodicals from throughout the state. "New Developments" are limited to space available, and no attempt is made to compile an exhaustive list of all such events that have occurred during the month.

Business Services - The Avante Business Development Center opened its doors Janauary 10, 1985, to offer low-cost consulting services to minority firms in Arizona. Located at 333 West Indian School Road, the minority business development center offers the services of an extensive team of MBAs, CPAs, attorneys and other business professionals with expertise in capital formation, management, finance, marketing, procurement, construction assistance, mergers and acquisitions, bidding, business brokering and other areas. These services are available for a specially negotiated rate

to minority-owned businesses, and business owners that are socially or economically disadvanteged. Eligible companies pay only ten percent to 25 percent of the total cost for companies of a given size based on gross sales. For example, if a company grosses under $500,000 consulting costs would be $2.50 per hour. If revenues are over $500,000 annually, consultant cost to the client company if $6.25 per hour. The center is a partnership between Avante International and the Minority Business Development Agency (MBDA) of the U.S. Department of Commerce. One major goal of the center will be to assist minority owners into high technology businesses and away from concentration in service businesses such as janitorial services.

Copper Mining - Phelps Dodge Corporation announced one-time losses of $195 million in the fourth quarter of 1984, plus additional yet-to-be posted losses on operations. The one-time losses were expected to reduce Phelps Dodge's net worth by nearly 20 percent -- to about $790 million. Fourth quarter losses combined with losses of $50 million reported in the first three quarters of the year will have reduced the company's net worth by at least 25 percent from a year ago.

Phelps Dodge worker union decertification ballot counts were announced on January 25 by the National Labor Relations Board in Phoenix. 13 unions are now at risk for potential decertification after all avenues of appeal are exhausted. The total unchallenged vote was 1906 to 87. The unions who may be decertified by this process include: the United Steelworkers, the Machinists union, the International Brotherhood of Electrical Workers, the Operating Engineers, the Plumbers and Pipefitters union, the Boilermakers union, the Carpenters union, the Painters union, the United Transportation Union, the Teamsters, the Chemical Workers union, the Carrier's union and the Metal Trades Council of the AFL-CIO.

By mid-February a second company was in the middle of a union decertification process. Workers at Duvall Corporation's Sierrita copper mine near Tucson voted 314 to 286 to decertify the United Steelworkers, Teamsters, Laborers and Operating Engineers unions as their bargaining representatives. A fifth union, the International Brotherhood of Electrical Workers, was not included in the decertification process.

Construction - Del E. Webb Corporation announced plans to build a $92.4 million corporate headquarters on 8.75 acres in Phoenix on Seventh Street between Catalina and Earll. It will be a $1.4 million complex including two 12-story, 250,000 square foot office towers, a 16-story, 270,000 square foot residential tower with 160 condominiums and a six-level partially underground 670,000 square foot parking facility. Construction is to begin, pending rezoning approval in April 1986. The Del E. Webb headquarters will occupy the phase I office tower which will front on Seventh Street. The phase II office tower is slated for construction in 1988, if market conditions are favorable.

The Lehndorff Group, owners of the Park Central Shopping Center, announced plans for a $450 million development featuring a high-rise hotel and four high-rise office buildings on land surrounding the mall. Construction is expected to begin in late 1985 and be completed by October 1987. If the City Council approves, the project will include a 40-story office tower fronting Central Avenue, a 14-story office building near the main entrance of the existing mall and a six-story building toward the back of the 46 acre property. These three buildings would have 925,000 square feet of rental space. In addition, a 15-story hotel is planned for the southeastern corner of the property also fronting on Central Avenue, and would be rented to a major hotel chain. Finally, a 210,000 square foot, 14-story office facility will be constructed next to the St. Joseph's Hospital & Medical Center parking garage. Two six-story parking garages beside the mall will provide parking for cars using these facilities.

Gateway Square, another multi-million dollar project for Central Avenue was also announced late in January. Going up on two sides of Central Avenue at McDowell and connected by pedestrian walkways, the project will provide another 480,000 square feet of office and retail space. The west of Central part of the project will be un-

der construction in May, but the east side will not be constructed until 1992. Patrick Properties is the developer, and space is planned for a public art forum to allow the Phoenix Art Museum across the street to present cultural shows.

Lincoln Resorts, a $75 million "Arizona Biltmore" style resort complex to be built near Lincoln Drive and Miller Road in Scottsdale, should be completed in about two years, according to the investment-banking firm of Fogel & Co., Inc. of Phoenix. The resort will cover a 29-acre parcel north of Lincoln Drive adjacent to the Arizona Canal, and a planned city 18-hole golf course in Indian Bend Wash. Lincoln Resorts hopes to win the bid to construct the city golf course. Fogel & Co., Inc. is working in partnership with Dahlberg Industries of Phoenix who have developed such projects as The Lakes in Tempe.

Sun State Savings is financing a $43 million project called The Ridge at Sedona. With 150 acres to be developed, it represents one of the last large privately owned parcels available for development in the area according to Parker Development Company developers. Located on Highway 179 in the village of Oak Creek, the development will contain 370 units; 59 single-family golf course lots, 67 townhome villas, 137 casitas, a resort hotel, an athletic club, a golf course and a 70,000 square foot shopping center.

Government/Defense - The U.S. Defense Contract Administration Services Dallas regional headquarters announced that Arizona ranked second in the region in 1984 in the receipt of defense contracts. More than $2 billion split among 5,266 contracts put Arizona second only to Texas in a region including Arizona, Texas, Oklahoma, Arkansas, Louisiana and New Mexico. The counts do not include contracts administered by a specific service, such as the Army, or contracts in this region but administered by other regions. For example, the Apache helicopter made in Mesa by Hughes Helicopters, presently based in Culver City, California, is administered by the Army and is not included in regional figures. Rank order in the region by firm included:

Texas Instruments, Inc.	$ 4 billion
Motorola, Inc.	958 million
Garrett Turbine Engine, Co.	496 million
Goodyear Aerospace	240 million
Garrett Pneumatic	116 million
Sperry of Alburqueque	116 million

The Arizona Air National Guard will hire 200 and add $17.4 million in construction at its Tucson-based unit. The new additions are in support of an expanded F-16 fighter squadron. The 162nd Tactical Fighter Group will receive an additional 24 F-16s over a period of years with the first six arriving in the fall of 1986.

Hughes Aircraft Co. in Tucson will add 500 to its present work force, if the Reagan Administration's 1986 defense budget line items for Phoenix, AMRAAM and Maverick missles are adopted by Congress. The items are budgeted in amounts expected by Hughes Aircraft, so staffing increases can proceed as planned during 1985 if no Congressional defense cuts are made to these items.

Manufacturing - Bowmar Instrument Corporation, originator of the first hand-held calculators, will be moving its headquarters from Acton, Massachusetts to Phoenix. The company is seeking an acquisition or a merger in the Phoenix area, and to be present in the Phoenix area within six to 12 months. Having long since abandoned production of calculators, the firm is now a manufacturer of precision electronic, and electromechanical products. Little or no new employment for Phoenix area residents will result from the move by Bowmar's small corporate staff.

Trade - Another Price Club cash-and-carry warehouse will be opened somewhere in the Phoenix area, Price Co. executives announced. The announcement was made in conjunction with a stockholders meeting held in Phoenix in January, the first meeting held outside of San Diego, the firm's home base.

A new Diamonds store will be opened somewhere in Arizona during 1985 according to corporate owners, Dillards Department Stores, Inc. Corporate strategy calls for one new store to the Diamonds chain each

year within its Arizona and Nevada market territory.

Three new Bobby McGee's Conglomerations will open in 1985 in addition to two restaurants of a brand new concept soon to be tested. The new concept was developed by Muncy's U.S.A. Inc., a corporate affiliate of Bobby McGee's. If successful, the new concept will be further expanded by franchise. In addition, the original Bobby McGee's in Scottsdale will move to a new free-standing building north of its present site.

Perkins Restaurants Inc., a subsidiary of Holiday Inns plans to open 10 family-style restaurants in the Phoenix area within five years. Two will open this year -- one in Scottsdale and one in Mesa.

Transportation - Standard Aero Inc., a Minneapolis based aircraft maintenance company, opened shop in the former Republican Airlines hangar at Sky Harbor Airport. Company officials intend for the facility to be a $500 million operation within five years, and to employ 800 to 1000 within three years. At least 250 will be working within a year. The modified hangar will end Sky Harbor's dubious distinction as the only airport among the 20 busiest in the country lacking an airline-maintenance facility. Standard Aero, Inc. is a subsidiary of Federal Industries Ltd., of Winnipeg, Manitoba, Canada.

Layoffs - Ramada Inns Inc. eliminated 140 of 700 jobs on Friday, February 1 at its corporate headquarters in Phoenix. Desire for improved efficiency and profitability were cited as reasons for the intended layoffs. The action was expected to position Ramada for future growth and to enable focusing its human resources on priority areas of its business, according to Ramada's president.

Burr-Brown Corporation of Tucson dropped 210 of 280 temporary employees hired under contract through four temporary-help firms in late January. Layoffs came after a short-lived surge in orders that had built up over Christmas holidays. Greater stability for its permanent workforce of 1300 was cited as the reason for using contracted temporary help. The temporary employees had been working for periods ranging from three to eight months.

Tucson's Pacific Fruit Co., a wholly owned subsidiary of Southern Pacific Transportation Co., laid off 95 workers during February. Reasons given were lack of demand for refrigerated railway cars to carry fresh produce and frozen foods from California to the East, and strong competition from trucks. Low supply and consequent higher value of the current lettuce crop made truck transportation a more desirable mode, according to growers.

GenRad, Inc.'s Phoenix Service Products Division expected to layoff eight to 15 percent of its 350 employee workforce at January's end. The percentages were as specific as GenRad spokesmen could be about the Phoenix location, but 400 of 3,500 were cut from its worldwide operations including Phoenix.

Closings - The Heileman Brewing Co., Inc. of Phoenix announced it will close its facility at 150 S. 12th Street in mid-March. The loss of Arizona's only remaining brewery will eliminate 92 jobs. Heileman's brews Black Label, Colt .45 Malt Liquor, Mickey's Malt Liquor and Blatz, and is based in LaCrosse, Wisconsin. A need for improved economics of scale was cited as the reason for closing. The plant has only half the production capacity of other company plants around the country. Heileman's will consider expanding and reopening the plant if it seems feasible. The company has a desire to retain a presence in the Southwest. It will honor recall rights of former employees if it reopens within ten years.

Santa Fe railways division-crew change point in Seligman was terminated on February 5. Crews will no longer stop there on the Winslow to Needles run as they have for more than thirty years. Besides losing 12 clerical positions at the depot, the town will lose the lodging and restaurant business that the crew-change point provided.

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